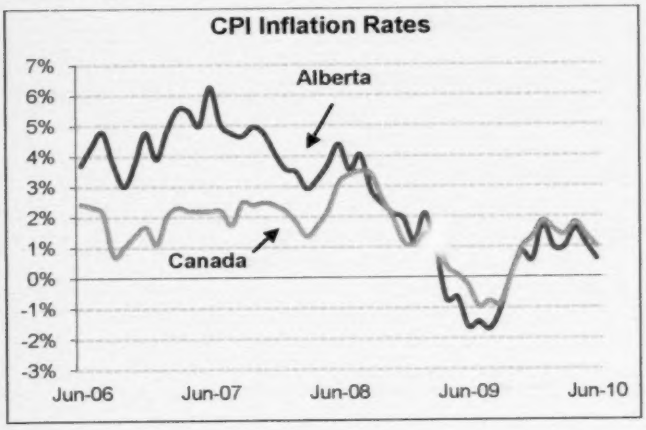
Consumer Price Index

Inflationary pressures remain subdued…

Alberta's year-over-year CPI rate declined from 1.1% in May to 0.6% in June. This was due to a moderation in gasoline prices, which were 6.9% lower than a year earlier, after increasing by 6.9% in May. Excluding food and energy, Alberta's CPI was just 0.7%, suggesting that inflation remains muted in the province.

Nationally, Canadian inflation was 1.0% with gasoline prices down 2.9% from last year ago, offsetting higher prices for passenger vehicles and auto insurance premiums. Food prices were just 0.7% higher than June 2009, the smallest increase in the category since March 2008.



Retail Sales

Sales hold steady in May…

The value of retail sales in Alberta was essentially unchanged in May at just under $4.9 billion (seasonally adjusted). Through the first five months of the year, retail sales are up 5.2% compared to the same period in 2009. Nationally, retail sales declined by 0.2%, the second consecutive monthly decline due largely to lower sales at building material and garden equipment and supplies dealers and gas stations.

Employment Insurance

Number of EI recipients declines in May …

In May, the number of Albertans receiving regular Employment Insurance (EI) benefits continued to decline, with 960 fewer people receiving benefits than in April. This was the seventh consecutive monthly decline in the number of people receiving EI benefits in Alberta. Nationally, the number of regular EI beneficiaries increased (1.3%) for the first time in eight months in May while the number of EI benefit recipients increased in every province except for Alberta and Newfoundland.

↑	**Canadian Dollar (US¢/C$)**	
	July 23, 2010	96.40
	July 16, 2010	94.90
	2010-11 YTD	97.01
↑	**WTI Oil US$/bbl**	
	July 22, 2010	$ 79.30
	July 15, 2010	$ 76.62
	2010-11 YTD	$ 77.58
↑	**Nymex Natural Gas C$/MMBtu***	
	Near-month Contract	
	July 23, 2010	$ 4.79
	July 16, 2010	$ 4.73

*Estimate based on Nymex Futures Market Price

Wholesale Trade

Lower farm supply sales results in a decline…

The value of Alberta's wholesale trade declined for the second consecutive month in May (-0.7%) to just over $4.9 billion (seasonally adjusted). The decline was largely the result of lower sales of agricultural supplies as bad weather reduced demand for seed and fertilizer. Nationally, sales also decreased marginally (-0.1%) as the poor sales of agricultural supplies due to the weather was enough to offset gains in the six other wholesale sectors.

International C$ Securities Transactions

Canada continues to attract foreign investment…

Non-residents continued to increase their holdings of Canadian securities, picking up an additional $23.2 billion in May. Federal government bonds alone accounted for $11.5 billion of the inflow while federal crown corporation debt and provincial government bonds also attracted strong interest as investors continue to seek low-risk investments.

Monetary Policy

BoC raises rates, but lowers growth forecast…

As expected, the Bank of Canada (BoC) increased its overnight rate by 25 basis points to 0.75% at its meeting this week. The BoC noted that Canadian economic activity is proceeding largely as it expected in April. However, the BoC expects that fiscal austerity and the slower growth of consumer spending in a number of developed countries is likely to moderate global growth in the near term. As a result, the BoC slightly reduced its forecasts for Canadian economic growth in 2010 and 2011 to 3.5% and 2.9% respectively.

Current Economic Indicators

	2008	2009	2010YTD*	Jan	Feb	Mar	Apr	May	June
Population									
Population[1] (000's) (level)	3,596	3,688	3,707	3,712	--	--	3,725	--	--
% change	2.4	2.6	2.1	1.9	--	--	1.6	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-6,832	-2,780	--	--	312	--	--
Net International Migration[1] (level)	20,039	20,074	1,477	4,720	--	--	6,758	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	-4,332	-1,425	--	--	48	--	--
Labour Market									
Employment (000's)	2,013	1,988	1,984	1,988	1,973	1,969	1,979	1,994	2,000
% change	2.8	-1.3	-0.5	-1.6	-1.0	-1.0	-0.4	0.3	0.6
Unemployment Rate (%)	3.6	6.6	7.0	6.6	6.9	7.5	7.4	6.6	6.7
Participation Rate (%)	74.7	74.3	73.3	73.4	73.0	73.2	73.4	73.2	73.3
Average Weekly Earnings ($)	923.21	950.13	983.09	963.38	985.99	993.04	989.93	--	--
% change	6.0	2.9	2.5	1.6	2.1	3.0	5.7	--	--
Price Indices									
Consumer Price Index	3.1	-0.1	1.2	1.7	1.0	1.0	1.6	1.1	0.6
NEW! Excluding food and energy	2.1	1.4	1.0	1.1	1.3	0.8	1.4	0.9	0.7
Non-Res. Const. Cost Index[2] (quarterly)	13.2	-9.8	-5.0	--	--	-5.0	--	--	--
Farm Product Price Index	11.5	-11.3*	--	--	--	--	--	--	--
Crops	26.7	-22.9*	--	--	--	--	--	--	--
Livestock	2.1	-0.8*	--	--	--	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	29.5	24.2	28.2	33.9	35.6	28.8	26.4
% change	-39.6	-31.6	101.9	55.1	139.0	164.8	176.0	101.4	30.0
New Housing Price Index	0.7	-9.0	-0.6	-3.6	-1.4	-0.2	1.0	1.6	--
Edmonton	1.0	-11.2	-2.7	-6.5	-3.3	-2.4	-1.0	-0.1	--
Calgary	0.6	-6.7	1.6	-0.6	0.4	2.0	2.9	3.1	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	351.6	344.3	348.2	357.9	359.9	355.5	343.6
% change	-1.5	-3.1	6.8	6.4	5.1	10.3	7.7	7.1	4.0
Edmonton	330.8	319.1	323.5	322.7	327.6	341.4	332.1	317.9	299.2
% change	-2.0	-3.5	4.6	-0.7	2.6	11.0	8.7	4.4	2.1
Calgary	401.1	384.3	399.3	386.4	395.1	398.2	401.3	411.5	403.7
% change	-2.9	-4.2	6.9	5.5	5.2	9.0	6.4	9.2	5.8
Retail Sales[3] NEW!	0.2	-8.3	5.2	1.0	6.6	11.2	5.3	2.4	--
New Motor Vehicle Sales	-7.3	-21.7	8.6	-4.8	24.0	15.3	6.9	4.7	--
Consumer Bankruptcies	6,066	9,986	2841	684	637	776	744	--	--
% change	27.2	64.6	-11.0	-1.7	-9.8	-18.4	-11.2	--	--
Business Sector									
Rigs Drilling	236	128	180	287	339	219	62	56	118
% change	-2.1	-45.6	46.1	9.3	42.3	103.5	51.9	76.4	99.0
Goods Exports (customs based)	34.6	-37.3	21.8	2.1	19.6	18.5	27.8	50.1	--
Energy	42.5	-41.4	37.7	8.1	36.7	32.8	48.8	82.9	--
Agriculture	32.0	-10.2	-17.5	-10.4	-20.1	-9.6	-27.6	-5.0	--
Total Farm Cash Receipts (quarterly)	17.2	-8.1	-17.3	--	--	-17.3	--	--	--
Manufacturing Shipments	7.0	-21.6	8.7	-0.1	4.3	9.9	12.9	12.7	--
Wholesale Trade[4] NEW!	9.5	-15.9	1.2	-12.2	-2.1	6.3	5.5	7.7	--
Building Permits	-16.5	-14.2	17.4	32.1	69.1	41.4	28.1	-30.2	--
Residential	-31.5	-11.8	94.0	156.4	172.1	91.3	64.6	64.0	--
Non-residential	3.7	-16.3	-28.4	-25.9	4.3	2.0	0.0	-72.3	--
Business Bankruptcies	447	405	142	27	30	48	37	--	--
% change	-0.4	-9.4	2.9	-30.8	-31.8	54.8	54.2	--	--

Government of Alberta
Finance and Enterprise

Alberta

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

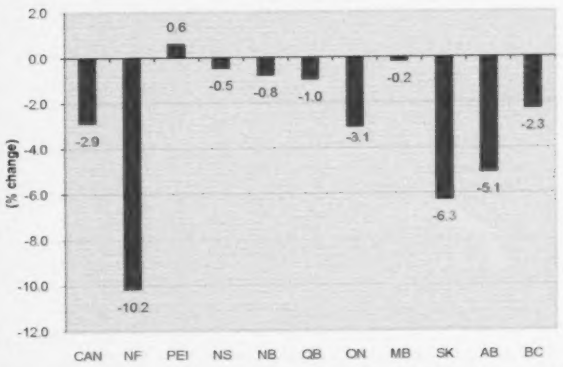
[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

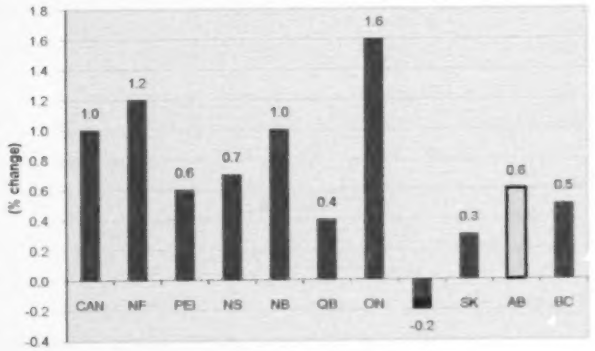
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province

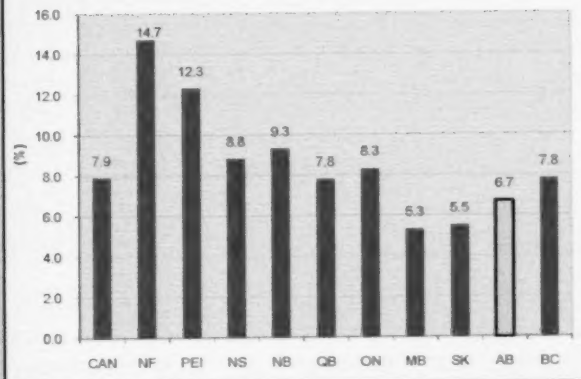
Real GDP Growth
(2009 year-over-year growth, preliminary estimate)



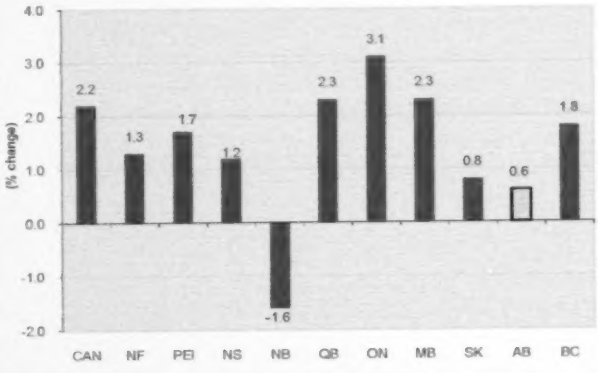
CPI Inflation
(June year-over-year % change)



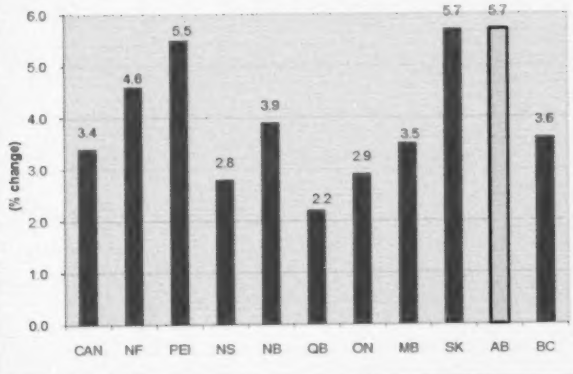
Unemployment Rate
(June 2010, Seasonally Adjusted)



Employment
(June year-over-year growth)



Average Weekly Earnings
(April year-over-year growth)



Housing Starts
(SAAR June 2010)